



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

WILLIS, H. P. *The federal reserve*. (New York: Doubleday Page. 1915. Pp. xiii, 342. \$1.)

To be reviewed.

California bank act, 1915. (San Francisco: California Bankers' Association. 1915. Pp. 163. 60c.)

Report on the cost of living for an unskilled laborer's family in New York City. (New York: Board of Estimate and Apportionment. 1915. Pp. 57.)

Trust companies of the United States, 1915. (New York: United States Mortgage & Trust Co. 1915. Pp. 530.)

A continuation of this standard annual containing balance sheets of 1770 companies, giving names of officers and quotations of stock and dividends during the past year.

La question du crédit à l'exportation: L'état actuel du crédit à l'exportation en France. Son organisation possible. (Paris: Giard & Brière. 1915. 2.25fr.)

Public Finance, Taxation, and Tariff

The Exemption of Improvements from Taxation in Canada and the United States. By ROBERT MURRAY HAIG. A Report Prepared for the Committee on Taxation of the City of New York. (New York. 1915. Pp. 291.)

Some Probable Effects of the Exemption of Improvements from Taxation in the City of New York. By ROBERT MURRAY HAIG. A Report Prepared for the Committee on Taxation of the City of New York. (New York. 1915. Pp. 254.)

The Taxation of Land Values. By LOUIS F. POST. (Indianapolis: Bobbs-Merrill Company. 1915. Pp. 179. \$1.00.)

Two factors have contributed largely to the revival of interest in the single tax question which has taken place in the last six or seven years. The first was the establishment, early in 1909, of the Joseph Fels Fund endowment "to put the single tax into effect somewhere in the United States within five years." The second has been single tax advertisement of the claim that western Canada's remarkable development during the period from 1908 to 1912-13 was due to the fact that long strides toward the single tax had been taken in that section. In recent single tax agitations in the United States no argument or assertion has been more prominent than that "the single tax" brought unprecedented prosperity to the Canadian West. Because the claims of ardent propagandists have been so commonly of the *post hoc ergo propter hoc* sort, opponents of exemption of improvements had their innings

when the tide of prosperity receded and the recent depression, which has severely affected western Canada, set in. They urged that the system, by overstimulating building activity, had paved the way for a particularly serious period of economic stagnancy.

Dr. Haig's report to the Mayor's Committee on Taxation of New York City on *The Exemption of Improvements from Taxation in Canada and the United States* presents the results of his field investigations carried on during the summer of 1914, and is particularly timely. Part I (pp. 11-258) is "an effort to state concisely all the available facts which may aid in understanding the system of taxation in force in the various cities or throw light upon its effects." Part II (pp. 261-280) bears the title "Generalizations and Conclusions."

In the United States the movement for the exemption of improvements has made but little progress. Exemption is now legally being applied only in Pittsburgh and Scranton, in which cities the rate of tax upon buildings is 80 per cent of that upon land in 1916 and will gradually be reduced to 50 per cent by 1925. Tax Commissioner Pastoriza's extra-legal partial-exemption-of-buildings plan in Houston, Texas, was forbidden by the courts in March, 1915, and since the report under review has appeared Pueblo, Colorado, has repealed (November, 1915) the law providing for a 99 per cent exemption of improvements beginning with the 1915 levy. But in the three western provinces of Canada hardly a municipality does not tax improvements at a lower rate than land, and many, including the cities of Vancouver, Victoria, and Edmonton, exempt them entirely; there are also special provincial land taxes. Dr. Haig has collected full data regarding the fiscal systems of the municipalities and provinces, together with such data as are available for "gauging the effects of the system" and the status of public opinion.

Dr. Haig finds it impossible "to make positive statements as to the relative effects upon general prosperity in the various cities" (p. 277). "The cities are normally irregular because of conditions other than those connected with their tax systems," and possess "exclusive characteristics of greater importance than their tax systems" (p. 264). Nevertheless some conclusions may be arrived at. Exemption, although "not the primary cause of building activity" (p. 270), has stimulated it; indeed, professional real estate operators have been strong for "single tax" because "they are eager to encourage anything which promises to assist in in-

creasing land values and nothing seems to be more effective for this purpose than the rapid construction of buildings" (pp. 275-276). In the larger cities tax rates have been so low that land values have not been prevented from increasing tremendously and land speculation has been hindered but little. But in some of the smaller towns where rates have been high speculation was "utterly destroyed" (p. 274). The land taxes have not been adequate revenue producers under all circumstances; in some Alberta towns there has been so little land value that rates as high as 8½ per cent were found necessary (p. 142), with over-assessment of land as the only alternative. Dr. Haig puts forward guardedly the conclusion that "the tax system tends to encourage economy in the use of land" and "increased congestion per acre," but "so far as buildings are made cheaper because of the reduced carrying charge, the exemption of improvements undoubtedly operates to reduce congestion per room" (p. 273). Probably the system has encouraged home ownership. There is little experience of value as to the effect upon rents. It is significant that the experiments in western Canada "have been confined to young cities" (p. 280). Finally, there are indications in some places, notably Vancouver, of a reaction in favor of taxing buildings (pp. 39, 104-107, 220).

Dr. Haig's problem in his second report is to determine, from an analysis of the New York City assessment rolls for 1914, "which sections of the city, which types of property and which economic classes would pay greater taxes and which smaller" were land to be taxed at a higher rate than buildings. Whether a taxpayer's bill would increase or decrease in the case of a given piece of property depends upon the relation of land value to building value, the ratio of land value to building value being 65.94:34.06 for Manhattan and 61.47:38.53 for the entire city (p. 15).

Two proposals for exemption are considered: the taxing of buildings (1) at a rate half that upon land, and (2) at a rate one per cent of that upon land. In 1914 the levies upon land and improvements, respectively, were 84 and 52.8 millions; had the first plan been in effect they would have been 104.1 and 32.8 millions, and under the second plan they would have been 135.9 and .8 millions (p. 24). Under the first plan in Manhattan the tax burden would increase from 92.4 to 94.7 millions; the tax rate upon land from 1.78 to 2.20; and the tax burden upon land from 57 to 70.5 millions. Under the second plan the tax burden would total 98.3 millions, 91.9 millions of this from land, and the rate upon land

would be 2.86 (pp. 22, 26-27). Under either plan Brooklyn would gain a large reduction, and only the presence of much vacant land would prevent substantial decreases in the relative burdens of the other boroughs. All the calculations are subject to the assumption that land values would remain constant, neither diminished by heavier taxes nor increased by the growth of the city or by forces which the change itself would set in motion. The total tax bills of the following types of property would be reduced: skyscrapers, up-town tenements and apartment houses in Manhattan, and homes and apartments generally in the out-lying sections. The following types would receive increases: down-town tenements and most single-family houses in Manhattan, and, of course, vacant and poorly improved land in all sections. In Manhattan, every assessment section south of 96th street would receive a substantial increase.

Dr. Haig concludes, first, that "the change promises ultimate benefits of considerable importance to all tenants and to many of the home-owners in the out-lying boroughs," which benefits, however, "may be very slow of realization"; and, second, that "the owners of land would be charged with the cost of these benefits," which cost would be "considerable" (p. 135).

Dr. Haig has carefully analyzed his data, and both of his studies are useful contributions. They represent industrious and painstaking work. A stylistic blemish which detracts from the force of many sentences is the excessive use of the passive voice.

The author of *The Taxation of Land Values* was among the first to accept the doctrines of Henry George and for many years was intimately associated with him. For more than thirty years he has been an active advocate of the single tax and he speaks with authority. Mr. Post's book is the fifth edition, but little revised, of a work which, since its first publication in 1894, has been known as one of the strongest statements of the single tax case. Mr. Post does not beg the question as do so many single taxers by appealing to the sanction of alleged "natural rights"; he undertakes to justify the single tax proposal on grounds of social utility, (1) as a tax reform, and (2) as an industrial reform.

The book is divided into three parts of which the first (pp. 1-53) presents compactly the general argument. Pages 54-81 contain "Answers to Typical Questions" concerning the single tax. The "Explanatory and Illustrative Notes," which occupy more than half of the book (pp. 85-179), contain much of the most important

material. To have incorporated a considerable part of these notes with the argument proper, or better to have retained the notes as footnotes (as in editions before the fourth) would have been desirable for many reasons.

ARTHUR N. YOUNG.

Princeton University.

The Canadian Iron and Steel Industry. A Study in the Economic History of a Protected Industry. By W. J. A. DONALD. (Boston: Houghton Mifflin Company. 1915. Pp. xv, 376. \$2.00.)

Dr. Donald's book, one of the prize essays in the Hart, Schaffner and Marx series, is an elaborate and complete account of the history of the Canadian iron and steel industry, with particular reference to the influence on it of protection by tariff duties and by bounties. The book is full of detail, and shows an intimate acquaintance with the facts of the situation and the literature bearing upon it, and in particular shows that the author knows how to make profitable use of the technical and commercial literature. It is abundantly fortified by statistical tables in the appendix. If any criticism can be made on this score, it is that the book is almost too full. Some details might have been spared; in these days of unceasing multitudes of books, one wishes that every writer would put his conclusions in the smallest compass consistent with clear exposition and satisfactory proof.

The book is a history not of Canada's tariffs, but chiefly of the duties and bounties upon iron and steel which have been in effect since the first steps toward the "national system" were taken in 1879. The characteristic element in Canada's protective system has been the use of bounties as well as of import duties. Indeed, I know of no modern instance in which bounties have been used on so considerable a scale; perhaps the only comparable case is that of the present French bounties on raw silk and other agricultural products. The protective duties, which began with the act of 1879, were supplemented by bounties for the first time in 1884. The bounties started on a comparatively modest scale and remained modest until 1897; in later years the system was greatly enlarged. At first limited to pig iron made from Canadian ore, it was extended to iron from foreign ore as well as that from domestic ore ("foreign ore" includes that from Newfoundland), to bar iron, steel, steel rails, and other manufactures of steel. The beginning